TO: Secretary of State FROM: Ches Thurber June 9, 2009

RE: Reassessing Diplomatic Strategy Toward Iran

As Iran continues to enrich uranium in defiance of three United Nations Security Council resolutions, the United States has few remaining tools at its disposal to compel Iran to halt enrichment. A military strike would likely be counterproductive, while Iran's principle trading partners—China and Russia—are unwilling to implement punishing economic sanctions at this time. The United States must accept that it is likely to be impossible to coerce Iran into giving up its enrichment capability. It should focus instead on persuading Iran to submit its nuclear program to a transparent international verification regime. To do this, Iran must be convinced both that it stands to gain tremendous benefits by agreeing to such a deal, and that the consequences of proceeding towards a nuclear weapon will be far more severe than what it currently faces.

Assessing Iran's Nuclear Intentions

According to an International Atomic Energy Association (IAEA) report from February of this year, Iran is currently operating over 4,000 centrifuges and has successfully produced more than one ton of low-enriched uranium. Experts on Iranian politics are divided as to whether diplomatic agreement is possible. It may be that no amount of sticks and carrots offered at the bargaining table can outweigh the advantages that Iran believes it would gain by obtaining a nuclear capability. However, Iran's own population may be the most effective restraint on the country's nuclear ambitions. While a nuclear energy program is very popular within Iran, a large majority of Iranians believe that nuclear weapons violate the tenets of Islam and do not want Iran to become a nuclear weapons state. The Supreme Leader Ali Khamenei himself labeled the use of nuclear weapons un-Islamic in 2006. It is possible that the Iranian leadership is interested in being close enough to having a weapon that it can exert influence in the region, but without incurring the higher costs, both domestic and international, of crossing the threshold of actually testing a weapon. Given the tremendous security risk posed by a nuclear Iran, it is clearly in the U.S. interest to do all it can to ensure this latter outcome.

Inefficacy of Military Options and Economic Sanctions

The greatest threat to U.S. national security comes less from the risk that the Iranians will launch a nuclear missile at an American or allied target than the risk that a nuclear Iran will trigger rapid proliferation in the region that greatly increases the probability of a jihadist organization gaining access to nuclear materials. For this reason, U.S. strategies should aim to de-escalate the crisis and minimize the risks of proliferation.

Selectively bombing Iranian targets where we believe nuclear testing and development is taking place might succeed in setting back the Iranian nuclear program by several years and send a powerful message that the United States will not tolerate the proliferation of nuclear weapons. However, we should expect that an Iranian response to such an action could include scud missile attacks on Israel, attacks on U.S. military assets in the region, efforts to block shipping through the Straits of Hormuz, and possible attacks by Iranian-supported groups on U.S. targets abroad or at home. Furthermore, a U.S. attack on Iran would likely solidify public support in Iran behind the regime and make a future negotiated settlement impossible. Finally, the Iranians will likely redouble their efforts to develop a nuclear weapon. Preventing them from doing so would require repeated bombings in the future with decreasing effectiveness as the Iranians improve their ability to hide their sites. A military strike, therefore, does not serve the long-term security interests of the United States.

That being said, the United States should not go so far as to take military strikes off the table entirely. Iran needs to believe that far more serious consequences are possible if it proceeds beyond enrichment toward an actual nuclear test. A guarantee not to use force against Iran should only come as part of an agreement that submits Iran's nuclear program to robust international inspection.

Meanwhile, unilateral U.S. sanctions have already exhausted their ability to inflict pain on the Iranian economy. Iran's major trading partners who do have significant leverage—Russia and China—have proven to be unwilling to take serious steps to change Iranian behavior. It is therefore unrealistic to think that Iran can be economically coerced into to giving up its uranium enrichment capabilities. China and Russia may however both be willing to take more punitive action if Iran were to proceed further in the development of nuclear weapons, particularly if it were to conduct a test. U.S. diplomats

should work with the Chinese and Russians establish a mutual "red line" and to communicate to Iran the severity of the consequences it would face were it to actually test a nuclear device.

Positive Inducements

At the same time, the United States should outline a clear set of benefits that Iran can obtain by agreeing to an inspection program. Given the threat posed by a nuclear Iran, we have every incentive to make this package as generous as possible. It could include economic assistance, resumption of trade relations, technology transfers, support for Iranian accession to the World Trade Organization, and a guarantee not to use military force against Iran.

Some have argued that all of the outstanding foreign policy disputes between the United States and Iran should be packaged together into one "grand bargain" negotiation. While this provides the benefit of being able to trade concessions across issues, the prospects for the success of a grand bargain are unlikely given the high level of distrust on both sides. Instead, the United States should focus on several immediate steps it can take to rebuild trust, prove the benefits of cooperation to both the Iranian government and population, and pave the way for negotiations on the nuclear issue. Three such steps are outlined below.

As mentioned before, internal pressure from its own population may be as effective as any external threats in deterring Iran from developing a nuclear weapon. Public diplomacy can therefore help neutralize animosity towards the United States, marginalize extremist factions that thrive on confrontation with America, and galvanize popular support for international engagement. The President's recent efforts, including his Nowruz address and Cairo speech, have been particularly effective in this regard and should be expanded.

Secondly, the Unites States should begin to rebuild trust with Iran through cooperation in areas where Iranian and U.S. interests are clearly aligned. Afghanistan represents one such opportunity. Iran hosts over 1.5 million Afghan refugees and has a long history of enmity with the Taliban. Joint initiatives with Iran in Afghanistan were largely successful immediately after 9/11 but came to a halt largely due to U.S. policy decisions. The United States should seek to restart these efforts.

Finally, the United States should work to open an American-staffed interests section in Tehran as soon as possible. The United States currently staffs one interests section in Havana, Cuba, though it previously maintained interests sections in several Arab states following the 1967 and 1973 Arab-Israeli wars. Interests sections have allowed for several examples of cooperation that may otherwise not have been possible such as military assistance to Iraq in the early 1980s and coordinated refugee efforts with Cuba in the 1990s. Staffing the U.S. Interests Section in Tehran would create a mechanism for direct diplomatic contact, allow for greater public diplomacy outreach, and provide improved insight into the operations of the Iranian regime.

Conclusions

Accepting continued uranium enrichment on Iranian soil is a concession that is difficult for many U.S. policymakers to swallow. However, it is unrealistic to believe that the United States can some how "roll back" the progress that Iran has already made on this front. Military strikes would be counter-productive while Russia and China have proven to be unwilling to use economic sanctions to compel Iran to stop enrichment. Pursuing a strategy of threats and coercion at this point would only push Iran further into believing that obtaining a nuclear weapon is the only way to guarantee their security.

Instead, U.S. policy should now focus on convincing Iran to submit its enrichment program to a transparent international verification regime. The U.S. should work with China and Russia to communicate jointly to the Iranians that there will be severe consequences if they test a nuclear device. But equally important, the United States should dedicate its efforts to convincing Iran—including the Iranian public, whose influence on this matter should not be overlooked—that it can satisfy its security needs as well as accrue significant economic benefits through cooperation with the United States. Public diplomacy efforts, joint initiatives in Afghanistan, and the opening of an interests section in Tehran are three immediate steps that the United States can take to build trust going into what will likely be a long and arduous negotiating process on the nuclear issue.